Calcutta High Court in its recent judgement ruled that the activities of the Peerless General Finance and Investment Company do not attract the provisions of the Prize Chits and the Money Circulation Schemes (Banning) Act, 1978;

(b) whether as a result of the judgement the activities of the company will be considered legal and valid ab *initio*;

(c) whether the company has since applied to the Reserve Bank for exemption from the directive issued by the Bank to all non-banking companies to restrict their deposits from the public to 25 per cent of the paid-up capital and reserves;

(d) whether the Reserve Bank has forwarded the application for exemption to the Central Government for comments; and

(e) if so, what is the Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The issue that was before the Calcutta High Court in the matter of Peerless General Finance and Investment Company Limited was whether the activities of the Company were attracted by the provisions of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. The Calcutta High Court in its recent judgement has held that the activities of the Company are not attracted by the provisions of the aforesaid Banning Act.

(c) to (e) Reserve Bank of India has reported that the Company has submitted an application to it seeking exemption from the provisions of Non-Banking Financial Companies (Reserve Bank) Directions, 1977. A copy of the application of the Company has also been sent to the Government by Reserve Bank of India. A decision on the application will be taken by the Reserve Bank in due course after taking into consideration all relevant factors.

Government money blocked in sick units

776. SHRI VITHALBHAI MOTIRAM PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that crores of rupees of Government institutions are blocked in sick units both public and private; and

(b) if so, what is the amount of money given to sick units by Government institutions and banks so far, unit-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) As per the report received from the Reserve Bank of India, the total number of sick units in the portfolio of scheduled commercial banks as of the end of June, 1985 was 99,668 and the outstanding bank credit in them amounted to Rs. 3,805.17 crores.

MMTC arrangements with Europe-based Trading Houses

777. PROF. C. LAKSHMANNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Mineral and Metals Trading Corporation proposes to enter into arrangements with several leading Europe-based trading houses for counter trade deals worth about 200 million dollars; and

(b) if so, what are the details thereof along with the names of the foreign trading houses?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) and (b) As a part of its normal trading activity, MMTC on a continuous basis negotiates and concludes contracts

and agreements with various international trading companies including those from Europe for import of goods from abroad and export of Indian goods.

It will not be incommercial interest of the Corporation to disclose details in this regard.

External debt

778. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE bleased to state:

(a) what is India's latest external debt position;

(b) whether in view of India's sluggish export growth Government are capable of servicing the external debt; and

(c) what steps are being taken to increase the growth rate of the country's exports and to imrove the balance of payments position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) The estimated external indebtedness of the country as on 31-3-1986 works out to Rs. 26718.42 crores in respect of Government loans, Rs. 751.49 crores in respect of non-Government loans. Further approvals of external commercial borrowings and suppliers credit from 1980-81 to 1985-86 amounting to Rs. 8841 crores have been given However the external debt on this account will be spread over a number of years in future as and when loans are actually drawn/utilised. In addition India has outstanding repurchase obligations of Rs. 5248 crores on drawings made under the facilities of the IMF.

(b) Government have been following a cautious policy of external borrowigns. The overall external debt position at the moment is within prudent limits. The levels of country's indebtedness and the likely burden of debt servicing are being constantly kept in review to ensure that they remain within manageable limits. The Indian economy has the capacity to cope with the present level of external debt.

(c) The Government have taken a number of measures to strengthen export performance in the short and medium term. These include liberalisation and simplification of duty free import for export production, the announcement of a three year import-export policy, incentives for export production, the substantial enhancement in tax concessions for exports, liberalised preshipment credit facilities for export etc. Steps have also been taken to ensure efficient import constitution. A Cabinet Committee on exports headed by the Prime Minister has been set up to deal with all policy matters and other problems of export. Similarly, a Committee of Secretaries has been constituted with Cabinet Secretary as the Chairman.

Agreement between India and France for the transfer of Super Technology to India

779. SHRI PARVATHANENI UPENDRA: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether an agreement has been reached with the Government of France for the transfer of Super Technology to India; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN): (a) No, Sir.

(b) Does not arise.

Show cause notices issued under Employment Exchanges (Compulsory Notification of Vacancies Act, 1959)

780. SHRI PARVATHANENI UPENDRA: Will the Minister of LABOUR be pleased to state: